



**TOWN OF MANSFIELD
SPECIAL TOWN COUNCIL MEETING**

Tuesday, August 30, 2016

Audrey P. Beck Municipal Building
Council Chambers

7:00 PM

AGENDA

CALL TO ORDER/ROLL CALL

PUBLIC COMMENT

NEW BUSINESS

1. To consider an appropriation and borrowing authorization for renovations and repairs to the Mansfield Middle School gymnasium and related locker rooms and bathrooms, to set a referendum on such appropriation and borrowing authorization if approved, and to take actions related thereto.

ADJOURNMENT



**Town of Mansfield
Agenda Item Summary**

To: Town Council
From: Matthew Hart, Town Manager *MWH*
CC: Kelly Lyman, Superintendent of Schools; Maria Capriola, Assistant Town Manager; Cherie Trahan, Director of Finance
Date: August 30, 2016
Re: To consider an appropriation and borrowing authorization for renovations and repairs to the Mansfield Middle School gymnasium and related locker rooms and bathrooms, to set a referendum on such appropriation and borrowing authorization if approved, and to take actions related thereto.

Subject Matter/Background

The 2016/17 Adopted Capital Improvement Budget includes renovations and repairs to the Mansfield Middle School Gymnasium to be funded by the issuance of bonds in the amount of \$873,000. In accordance with the Town Charter, consecutive action of the Council and a Referendum are required to authorize the issuance of bonds for this project. The next step to move the approved project forward is for the Town Council to set a referendum on the appropriation and borrowing authorization.

Additional information regarding the CIP process, current debt levels, as well as detailed information on the project can be found in the attached memorandum from the Director of Finance, dated August 16, 2016.

Financial Impact

The projected cost for the gymnasium project is \$873,000. General Obligation bonds would be issued when the project is underway and the funds were needed. In order to save on bond issuance costs, the sale of the bonds would be coordinated with the sale of the bonds for the Four Corners Sewer project. We will consult with our financial advisor as to the best time to go to the market in order to get the best interest rates possible. The estimated interest cost for this project for a 10 year issuance is \$144,045.

Legal Review

The Town's bond attorney has outlined the procedures and resolutions to be taken by the Council, Planning and Zoning Commission, Town Clerk, and Town voters at the Referendum. The first three actions are outlined below.

Recommendation

Item #1

The Council refers the Mansfield Middle School Gymnasium project to the Mansfield Planning and Zoning Commission for review and approval as described in C.G.S. Section 8-24.

Item #2

The Council enacts the attached resolution appropriating a total of \$873,000 for costs associated with the project and further authorizing the issuance of bonds.

Item #3

The Council enacts the attached resolution calling for a Referendum to be held November 8, 2016 for the consideration of the above and authorizes the preparation of neutral explanatory materials regarding the resolution.

**RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF MANSFIELD
AUGUST 30, 2016**

If the Council wishes to move forward with the project, the following motion is in order:

Item #1

Move, effective August 30, 2016 to refer to the Planning and Zoning Commission for review and approval, the Mansfield Middle School Gymnasium project included in the 2016/17 Capital Improvement Plan as outlined above.

Further, if the Council wishes to move forward, the following resolutions are in order:

Item #2

**RESOLUTION APPROPRIATING \$873,000 FOR COSTS WITH RESPECT TO THE MANSFIELD MIDDLE SCHOOL GYMNASIUM AND RELATED FACILITIES RENOVATIONS PROJECT, AND AUTHORIZING THE ISSUE OF BONDS AND NOTES IN THE SAME AMOUNT TO FINANCE THE APPROPRIATION
RESOLVED,**

(a) That the Town of Mansfield appropriate EIGHT HUNDRED SEVENTY-THREE THOUSAND DOLLARS (\$873,000) for costs related to renovations and repairs to the Mansfield Middle School gymnasium and related locker rooms and bathrooms, contemplated to include, but not limited to, replacement of the large and small gymnasium floor, the large dividing door, the

bleachers, all exterior gymnasium doors and the score boards, renovations and potential consolidation of the locker rooms, renovations of bathrooms, installation of air conditioning, an on-demand domestic hot water system and a new sound system, relocation of electrical panels, and reconfiguration of the gymnasium equipment storage area. The appropriation may be spent for design, construction, acquisition and installation costs, equipment, materials, consultants' fees, legal fees, net interest on borrowings and other financing costs, and other expenses related to the project and its financing. The Mansfield Board of Education, or such committee to which it delegates such authority, is authorized to determine the scope and particulars of the project and to reduce or modify the project, and the entire appropriation may be spent on the project as so reduced or modified.

(b) That the Town issue its bonds, notes or obligations, in an amount not to exceed EIGHT HUNDRED SEVENTY-THREE THOUSAND DOLLARS (\$873,000) to finance the appropriation for the project. The amount of bonds, notes or obligations authorized shall be reduced by the amount of grants received by the Town for the project and applied to pay project costs. The bonds, notes or obligations shall be issued pursuant to Section 7-369 of the General Statutes of Connecticut, Revision of 1958, as amended, and any other enabling acts, as applicable. The bonds, notes or obligations shall be general obligations of the Town secured by the irrevocable pledge of the full faith and credit of the Town.

(c) That the Town issue and renew its temporary notes from time to time in anticipation of the receipt of the proceeds from the sale of the bonds or notes. The amount of the temporary notes outstanding at any time shall not exceed EIGHT HUNDRED SEVENTY-THREE THOUSAND DOLLARS (\$873,000). The temporary shall be issued pursuant to Sections 7-378 of the General Statutes of Connecticut, Revision of 1958, as amended. The temporary notes shall be general obligations of the Town secured by the irrevocable pledge of the full faith and credit of the Town. The Town shall comply with the provisions of Section 7-378a of the General Statutes if the temporary notes do not mature within the time permitted by said Section 7-378.

(d) The Town Manager, the Director of Finance and the Treasurer, or any two of them, shall sign any bonds, notes or temporary notes by their manual or facsimile signatures. The law firm of Day Pitney LLP is designated as bond counsel to approve the legality of the bonds, notes or temporary notes. The Town Manager, the Director of Finance and the Treasurer, or any two of them, are authorized to determine the amount, date, interest rates, maturities, redemption provisions, form and other details of the bonds, notes or temporary notes; to designate one or more banks or trust companies to be certifying bank, registrar, transfer agent and paying agent for the bonds, notes or temporary notes to provide for the keeping of a record of the bonds, notes or temporary notes; to designate a financial advisor to the Town in connection with the sale of the bonds, notes or temporary notes; to sell the bonds, notes or temporary notes at public or private sale; to deliver the bonds, notes or temporary notes; and to perform all other acts which are necessary or appropriate to issue the bonds, notes or temporary notes.

(e) That the Town hereby declares its official intent under Federal Income Tax Regulation Section 1.150-2 that project costs may be paid from temporary advances of available funds and that the Town reasonably expects to reimburse any such advances from the proceeds of borrowings in an aggregate principal amount not in excess of the amount of borrowing authorized above for the project. The Town Manager, the Director of Finance and the Treasurer, or any two of them, are authorized to amend such declaration of official intent as they deem necessary or advisable and to bind the Town pursuant to such representations and covenants as they deem necessary or advisable in order to maintain the continued exemption from federal income taxation of interest on the bonds, notes or temporary notes authorized by this resolution, if issued on a tax-exempt basis, including covenants to pay rebates of investment earnings to the United States in future years.

(f) That the Town Manager, the Director of Finance and the Treasurer, or any two of them, are authorized to make representations and enter into written agreements for the benefit of holders of the bonds, notes or temporary notes authorized by this resolution to provide secondary market disclosure information, which agreements may include such terms as they deem advisable or appropriate in order to comply with applicable laws or rules pertaining to the sale or purchase of such bonds, notes or temporary notes.

(g) That the Town Manager, the Director of Finance, the Treasurer, and other proper officers and officials of the Town are authorized to take all other action which is necessary or desirable to complete the Project and to issue bonds or notes and temporary notes to finance the aforesaid appropriation.

Item #3

RESOLUTION ESTABLISHING A REFERENDUM FOR THE MANSFIELD MIDDLE SCHOOL GYMNASIUM AND RELATED FACILITIES RENOVATIONS PROJECT, AND AUTHORIZING THE ISSUE OF BONDS AND NOTES IN THE SAME AMOUNT TO FINANCE THE APPROPRIATION.

RESOLVED,

(a) That pursuant to Sections 406 and 407 of the Town Charter the resolution adopted by the Council under Item #2 of this meeting, appropriating \$873,000 for costs with respect to the Mansfield Middle School Gymnasium and Related Facilities Renovations Project, and authorizing the issue of bonds, notes and temporary notes to finance the appropriation, shall be submitted to the voters at referendum to be held on Tuesday, November 8, 2016 in conjunction with the election to be held on that date, in the manner provided by said Charter and the Connecticut General Statutes, Revision of 1958, as amended, including the procedures set out in Section 9-369d(b)(2) of said Statutes, and in accordance with "Ordinance Regarding the Right of Voters Who Are Not Electors to Vote at Referenda Held in Conjunction with an Election", adopted by the Mansfield Town Council on August 25, 1997.

(b) That the aforesaid resolution shall be placed upon the paper ballots or voting machines under the following heading:

“SHALL THE TOWN OF MANSFIELD APPROPRIATE \$873,000 FOR THE MANSFIELD MIDDLE SCHOOL GYMNASIUM AND RELATED FACILITIES RENOVATIONS PROJECT, OF BONDS AND NOTES IN THE SAME AMOUNT TO FINANCE THE APPROPRIATION?”

Voters approving the resolution will vote “Yes” and those opposing said resolution shall vote “No”.

(c) That the Town Clerk shall publish notice of such referendum vote as part of the notice of the election to be held on November 8, 2016. Absentee ballots will be available from the Town Clerk’s office.

(d) That, in their discretion, the Town Clerk is authorized to prepare a concise explanatory text regarding the resolution and the Town Manager is authorized to prepare additional neutral explanatory materials regarding the resolution, such text and neutral explanatory material to be subject to the approval of the Town Attorney and to be prepared and distributed in accordance with Section 9-369b of the General Statutes of Connecticut, Revision of 1958, as amended.

Attachments

- 1) Bond Authorization – Middle School Gymnasium Repairs and Renovations, dated August 16, 2016



Town of Mansfield Department of Finance

To: Mansfield Town Council

From: Cherie Trahan, Director *CTA*

CC: Matt Hart, Town Manager, Kelly Lyman, Superintendent of Schools

Date: August 16, 2016

Re: Bond Authorization – Middle School Gymnasium Repairs and Renovations

Introduction

On March 28, 2016 the Town Manager presented the Proposed FY 16/17 Budget to the Town Council. The Manager's Proposed FY 16/17 Capital Improvement Project (CIP) budget included (2) projects to be funded by the issuance of general obligation bonds. These projects were: replacement of the Vinton Boilers at an estimated cost of \$450,000, and repairs and renovations to the Middle School Gymnasium at an estimated cost of \$873,000. A third project for the Board of Education, a Facility Study, was proposed to be funded in cash.

The CIP budget was first reviewed by the Council on April 7, 2016. Board Chair Walikonis, Superintendent Lyman, along with Facilities Director Corson, provided a detailed review of all three school projects. As there was significant interest in funding projects in cash rather than borrowing, the boiler replacement and MMS gymnasium projects were flagged for further discussion.

At the April 21, 2016 Budget Workshop, management proposed funding the Vinton boiler with \$225,000 from the energy account in the Management Services Fund; \$50,000 from the School Information Technology CIP account; \$50,000 from the School Facilities CIP account; and \$125,000 from the Capital Nonrecurring Fund. Manager Hart advised that the MMS gymnasium project was a significant facility project and would be difficult to fund in cash in any one year. We would need to fund it over multiple years in order to pay for the entire project in cash. Manager Hart further explained that this was a priority project for the School District and therefore recommended bond funding. The Council discussed this issue at length and asked for comments from Superintendent Lyman and Board Chair Walikonis, who were supportive of the funding plans.

The Council accepted management's recommendations and adopted the Capital Fund Budget on April 27, 2016 by a vote of 8 in favor, 1 against.

The CIP budget as adopted by the Town Council on April 27th, was presented to the voters at the Annual Town Meeting on May 10, 2016. The three school facility projects were reviewed

during the presentation by the Board of Education Chair and were subsequently approved as part of the overall CIP budget by a vote of 182 to 24.

Prior to the project being brought to the Town Council, these projects were discussed during a facilities update at the Board of Education regular meeting on December 10, 2015. They were further reviewed and discussed during a facilities presentation at the Board's regular meeting on January 21, 2016.

In total, the proposed school projects including the Middle School gymnasium repairs and renovations were discussed in public session six times, four of which allowed public comment, including the Annual Town Meeting for Budget Adoption.

As has been the case in the past, should other funding become available before the issuance of bonds, we would reduce or forego the amount we borrow.

Project Description

The major components of Mansfield Middle School Gymnasium renovation project include:

1. Replacing the old wooden gym floor where there is significant degradation of the subfloor;
2. Replacing old bleachers which are not compliant with current code and also require significant repair work;
3. Replacing the dividing door which is in constant need of repairs and we can no longer get parts for;
4. Replacing the scoreboard and mats, installing sound system;
5. Repairing and renovating the locker rooms and adjacent bathrooms; and
6. Installing air conditioning

Please see the attached facilities presentation on the major needed repairs.

The District's proposed project timeline is to issue a Request for Qualifications in September/October, followed by a Request for Proposal. Please note – no contract awards will be made until the bond authorization passes. The Board of Education or a committee they establish will approve all plans and monitor the project progress, ensuring it stays within budget. Under the proposed timeline, construction would be planned for June 2017 as soon as the 16/17 school year ends.

Cost and Financing

The total estimated cost is \$873,000. If financed through general obligation bonds for ten years, the estimated interest cost is \$144,045. See the attached estimated debt service schedule for year by year estimates of principal and interest payments. The tax impact on the median homeowner with an assessed value of \$156,000 for the highest year of debt service payments is approximately \$16 per year. The proposed bonds would be sold along with the Four Corners Sewer project authorized bonds so that we do not incur significant additional issuance costs. Estimated issuance costs for the combined sale of bonds would be in the range of \$125,000 - \$150,000. The prorated share for the gymnasium project is approximately \$16,000 - \$20,000.

We propose paying for bond issuance costs for legal services, financial advisor, rating agency, and certifying/paying agent with funds currently available in the Capital Nonrecurring Fund.

Mansfield's current outstanding debt is \$2,180,000, nearly the lowest in the State. We have \$1,040,000 authorized but unissued for the Open Space and \$9,000,000 authorized for the Four Corners Sewer Project (estimated issuance of \$6,000,000). Mansfield's statutory debt limit exceeds \$201,000,000.

Bond Authorization

The Town Charter requires that any bond issuance exceeding 1% of the annual budget requires consecutive favorable action of the Council and a referendum of the voters. The favorable vote must be at least 15% of registered voters list. Currently, there are approximately 11,700 registered voters in Mansfield, requiring 1,755 favorable votes. The Town Council has three options for bond authorization:

1. Include the bond authorization question on the November 8, 2016 ballot, which would align most closely with the District's goal of completing the project in a timely manner.
2. Schedule a special election at a date to be determined. Obtaining the required turnout would be difficult.
3. Split the bond authorization into two smaller authorizations and seek authorization at (2) town meetings, one to be held in FY 2016/17 and one in FY 2017/18.

To include the bond authorization for this project on the November 8, 2016 ballot, the Town Council would need to take action on or before September 8, 2016 establishing the date for the referendum. Immediately upon the Town Council's action setting the referendum date, the State election law limitations on municipal advocacy in connection with a referendum question are effective. Bond Counsel, Douglas Gillette of Day Pitney, LLP is developing the required resolutions and I expect we will have them by the end of this week or early next week. Explanatory text may be distributed and questions may be answered at any time.

Special Meeting of the Town Council

If the Council wishes to put the bond authorization on the November 8th ballot, the Council must take final action approving the Bond Resolution and submitting it to referendum vote not later than Thursday, September 8th. Since the Council's August 22, 2016 meeting has been canceled, a Special Meeting to take this action is needed. We will poll the Council with several optional dates.

Prior to the Special Meeting, date to be determined, information regarding the project and the Special Council Meeting will be posted on the Town's website, Facebook page, sent out via Q-Notify, and posted on the Cable Channel to inform the public of the Special Meeting with respect to the Bond Resolution.

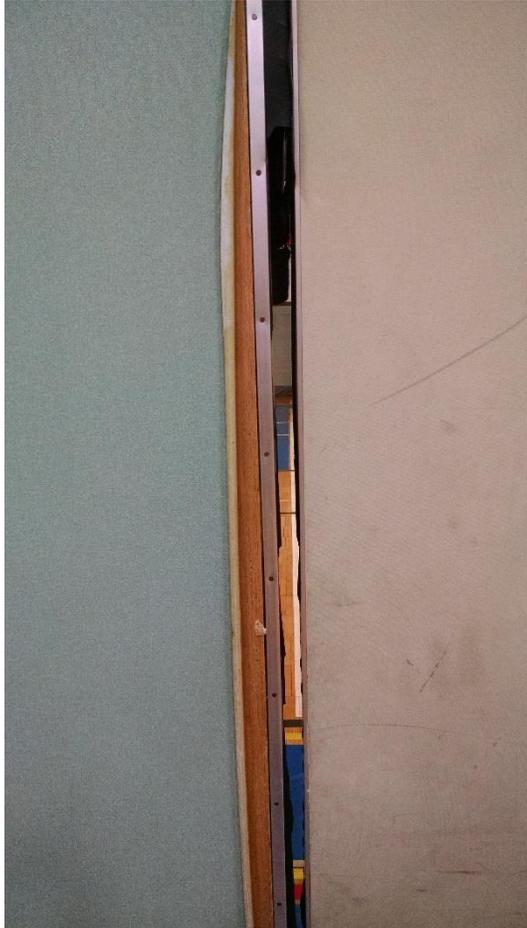
Mansfield Middle School

➤ Replacement of Gym Floor



Prices range from \$157,000 to \$175,000

Mansfield Middle School



- Replacement of Dividing Wall in Gymnasium



Quote for replacement at \$120,000

Gym Curtain



Quote \$50,000.00 to \$60,000.00

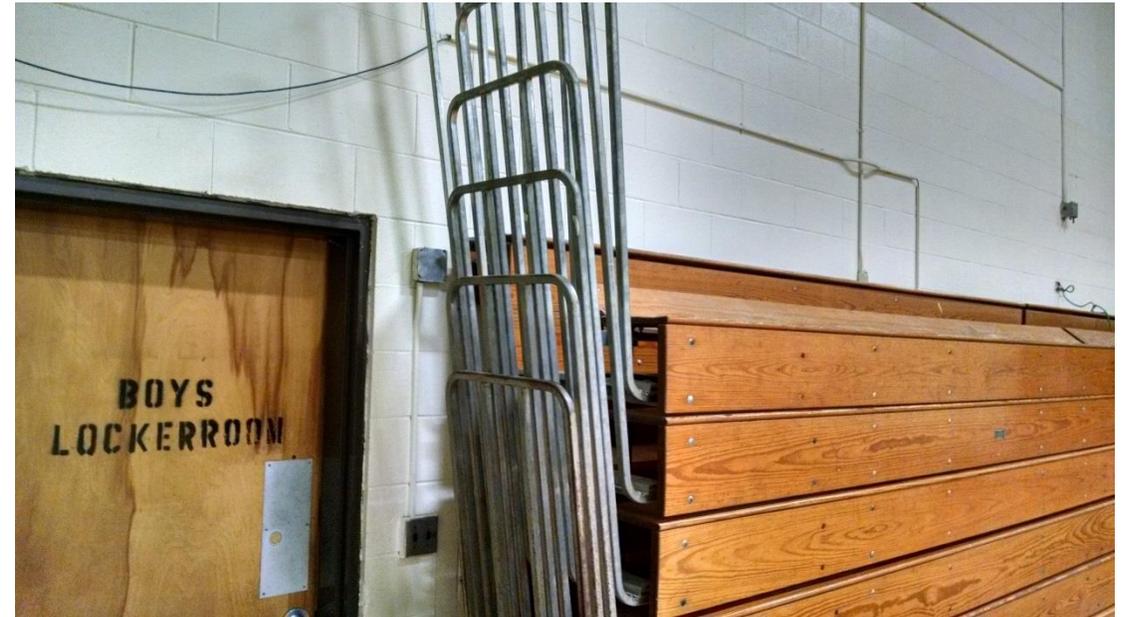


Mansfield Middle School

➤ Replacement of Bleachers Gymnasium



**Quotes ranging between
\$85,000 to \$142,000**



Mansfield Middle School

➤ Upgrade Locker Rooms

Locker Rooms



Soft quote \$180,000



Unusable
Old
Showers



Miscellaneous



Costs \$15,000



Costs \$8,000



**MMS GYM RENOVATIONS
BUDGET ESTIMATES**

DESCRIPTION:	ESTIMATE:
Floor Replacement	Quotes ranged from \$157,000 to \$175,000
Bleacher Replacement	Quote for \$85,000 to \$142,000
Large Divider Door	\$120,000
Score Board Replacement	\$15,000
Mats on Wall - Replacement	\$8,000
Sound System Installation	\$8,000
Renovating Boys and Girls Locker Rooms	\$180,000
TOTAL: \$648,000	
Air Conditioning in Gymnasium with duct work	\$225,000
TOTAL: \$873,000	

Middle School Gymnasium

- ▶ Floor Replacement
- ▶ Bleachers
- ▶ Divider Door
- ▶ Score Board
- ▶ Mats and Sound System
- ▶ Locker Room Renovations
- ▶ Air Conditioning

Estimated Debt Schedule
Mansfield Middle School Gymnasium Repairs

Principal \$ 873,000
Interest Rate 3.000%

Issue Date: 12/15/2016
10 Year Payback

	Fiscal Year	Due Date	Principal	Interest	Total Debt Service
1	16/17	06/15/13		13,095	13,095
2	17/18	12/15/13		13,095	13,095
	17/18	06/15/14	97,000	13,095	110,095
3	18/19	12/15/14		11,640	11,640
	18/19	06/15/15	97,000	11,640	108,640
4	19/20	12/15/15		10,185	10,185
	19/20	06/15/16	97,000	10,185	107,185
5	20/21	12/15/16		8,730	8,730
	20/21	06/15/17	97,000	8,730	105,730
6	21/22	12/15/17		7,275	7,275
	21/22	06/15/18	97,000	7,275	104,275
7	22/23	12/15/18		5,820	5,820
	22/23	06/15/19	97,000	5,820	102,820
8	23/24	12/15/19		4,365	4,365
	23/24	06/15/20	97,000	4,365	101,365
9	24/25	12/15/20		2,910	2,910
	24/25	06/15/21	97,000	2,910	99,910
10	25/26	12/15/21		1,455	1,455
	25/26	06/15/22	97,000	1,455	98,455
			873,000	144,045	1,017,045